

LEGISLATURE OF NEBRASKA
NINETY-SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 460

FINAL READING

Introduced by Beutler, 28; Vrtiska, 1; Price, 26

Read first time January 10, 2001

Committee: Education

A BILL

1 FOR AN ACT relating to schools; to amend section 79-4,110, Revised
2 Statutes Supplement, 2000, and section 79-1027, Revised
3 Statutes Supplement, 2001; to change provisions relating
4 to reorganization of certain Class I districts as
5 prescribed; to change provisions relating to applicable
6 allowable reserve percentages pursuant to the Tax Equity
7 and Educational Opportunities Support Act; to provide
8 operative dates; to repeal the original sections; and to
9 declare an emergency.
10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-4,110, Revised Statutes
2 Supplement, 2000, is amended to read:

3 79-4,110. A Class I district of which ~~fifty~~ eight
4 percent or more of the district's valuation is affiliated with a
5 single Class II or III district shall not merge, dissolve, or
6 reorganize unless:

7 (1) ~~The All~~ Class II or III ~~district~~ districts with which
8 ~~fifty~~ eight percent or more of the Class I district's valuation is
9 affiliated ~~is~~ are also reorganizing in the same reorganization
10 plan, petition, or election and that plan, petition, or election
11 requires approval by either the school ~~board~~ or such boards or
12 legal voters of such Class II or III ~~district~~ districts;

13 (2) ~~Fifty percent or more of the~~ The Class I district's
14 valuation is being merged with ~~such the~~ the Class II or III ~~district~~
15 districts with which the property is affiliated;

16 (3) The Class I district has been participating in a
17 unified system for a minimum of seven school fiscal years and the
18 unified system includes at least one Class II or III district
19 reorganizing in the same reorganization plan or petition; or

20 (4) The school ~~board of the~~ boards of all Class II or III
21 ~~district~~ districts with which ~~fifty~~ eight percent or more of the
22 Class I district's valuation is affiliated ~~votes~~ vote to approve
23 the plan or petition.

24 Sec. 2. Section 79-1027, Revised Statutes Supplement,
25 2001, is amended to read:

26 79-1027. No district shall adopt a budget, which
27 includes ~~total requirements of contingency funds,~~ total
28 requirements of depreciation funds, necessary employee benefit fund

1 cash reserves, and necessary general fund cash reserves, exceeding
 2 the applicable allowable reserve percentages of total general fund
 3 budget of expenditures as specified in the schedule set forth in
 4 this section.

5	Average daily	Allowable
6	membership of	reserve
7	district	percentage
8	0 - 471	45
9	471.01 - 3,044	35
10	3,044.01 - 10,000	25
11	10,000.01 and over	20

12 On or before February 1, the department shall determine
 13 and certify each district's applicable allowable reserve
 14 percentage.

15 Each district with combined necessary general fund cash
 16 reserves, total requirements of depreciation funds, and necessary
 17 employee benefit fund cash reserves, ~~and total requirements of~~
 18 ~~contingency funds~~ less than the applicable allowable reserve
 19 percentage specified in this section may, notwithstanding the
 20 district's applicable allowable growth percentage, increase its
 21 necessary general fund cash reserves ~~by an amount which will~~
 22 ~~increase its combined necessary general fund cash reserves, total~~
 23 ~~requirements of depreciation funds, necessary employee benefit fund~~
 24 ~~cash reserves, and total requirements of contingency funds by two~~
 25 ~~percent of its total general fund budget of expenditures, except~~
 26 ~~that (1) a district shall not increase such necessary general fund~~
 27 ~~cash reserves when such increase will result in~~ such that the total
 28 necessary general fund cash reserves, total requirements of

1 depreciation funds, and necessary employee benefit fund cash
2 reserves, ~~and total requirements of contingency funds which exceed~~
3 ~~the~~ do not exceed such applicable allowable reserve percentage.
4 ~~and (2) a district may increase such necessary general fund cash~~
5 ~~reserves in excess of such two percent limitation due to projected~~
6 ~~increases in federal funds.~~

7 Sec. 3. Sections 1, 3, 5, and 6 of this act become
8 operative on their effective date. The other sections of this act
9 become operative three calendar months after adjournment of this
10 legislative session.

11 Sec. 4. Original section 79-1027, Revised Statutes
12 Supplement, 2001, is repealed.

13 Sec. 5. Original section 79-4,110, Revised Statutes
14 Supplement, 2000, is repealed.

15 Sec. 6. Since an emergency exists, this act takes effect
16 when passed and approved according to law.